

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

TESSERA, INC.,

Plaintiff,

v.

ADVANCED MICRO DEVICES, INC., a
Delaware corporation; SPANSION,
LLC, a Delaware limited liability
corporation; SPANSION, INC., a
Delaware corporation; SPANSION
TECHNOLOGY, INC., a Delaware
corporation; ADVANCED
SEMICONDUCTOR ENGINEERING, INC.,
a Republic of China corporation;
ASE (U.S.), INC., a California
corporation; CHIPMOS
TECHNOLOGIES, INC., a Republic of
China corporation; CHIPMOS
U.S.A., INC., a California
corporation; SILICONWARE
PRECISION INDUSTRIES CO., LTD., a
Republic of China corporation;
SILICONWARE USA, INC., a
California corporation;
STMICROELECTRONICS N.V., a
Netherlands corporation;
STMICROELECTRONICS, INC., a
Delaware corporation; STATS
CHIPPAC, INC., a Delaware
corporation; STATS CHIPPAC (BVI),
INC., a British Virgin Islands
company; STATS CHIPPAC, LTD., a
Singapore company,

Defendants.

No. C 05-4063 CW

ORDER DENYING
MOTION TO STAY
(Docket Nos. 939
in 05-4063 and 29
in 10-4954)

1 SPANSION, INC., et al.,

No. C 10-4954 CW

2 Plaintiffs,

3 v.

4 TESSERA, INC.,

5 Claimant.

6 _____/
7 AND ALL RELATED COUNTERCLAIMS
8 _____/

9 Defendants STMicroelectronics, Inc. and STMicroelectronics,
10 N.V. (ST Defendants), Spansion Inc. and Spansion Technology LLC,
11 Reorganized Debtors/Plaintiffs Spansion Inc., Spansion Technology
12 LLC, Cerium Laboratories LLC and Spansion International, Inc.
13 (Spansion Defendants) move to stay proceedings in these cases
14 pursuant to 28 U.S.C. § 1659 and the Court's May 24, 2007 Order
15 granting a stay until the United States International Trade
16 Commission (ITC) determination, including all appeals, becomes
17 final. Tessera, Inc. opposes the stay. Having considered the
18 papers submitted by the parties and their arguments at the case
19 management conference, the Court DENIES Defendants' motion to
20 stay.
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22 BACKGROUND

23 The ITC issued its final determination in Investigation No.
24 337-TA-605 on May 20, 2009. It also issued several limited
25 exclusion orders (LEOs) aimed at respondents, including Spansion
26 and ST, and cease-and-desist orders (CDOs) directed at
27 respondents, including Spansion, on that day. These orders
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1 prohibiting the respondents from importing infringing products
2 into the United States, but created an exception that they could
3 do so during the sixty-day Presidential review period upon posting
4 of a bond that was subject to forfeiture if the decision was
5 upheld.

6 The Federal Circuit affirmed the ITC's final determination on
7 December 21, 2010. Spancion, Inc. v. Int'l Trade Comm'n, 629 F.3d
8 1331 (Fed. Cir. 2011). The Supreme Court denied the respondents'
9 petitions for a writ of certiorari on November 28, 2011. See
10 Qualcomm Inc. v. ITC, 2011 U.S. LEXIS 8568; Spancion, Inc. v. ITC,
11 2011 U.S. LEXIS 8529.

12 On January 4, 2012, Tessera filed a petition with the ITC
13 seeking forfeiture of bonds posted during the sixty-day
14 Presidential review period and a determination of the adequacy of
15 bonds posted.
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17 DISCUSSION

18 Moving Defendants argue that the bond forfeiture proceeding
19 triggers the mandatory stay provision set forth in 28 U.S.C.
20 § 1659. This statute provides, in part, that when there is an
21 ongoing proceeding under section 337 of the Tariff Act of 1930
22 before the ITC, "the district court shall stay, until the
23 determination of the Commission becomes final, proceedings in the
24 civil action with respect to any claim that involves the same
25 issues involved in the proceeding before the Commission." 28
26 U.S.C. § 1659(a).
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1 While section 337 uses the word "proceeding" in relation to
2 the ITC's determinations regarding whether that section has been
3 violated, section 337 does not use the term "proceeding" to refer
4 to an action taken for bond forfeiture, even though it does
5 provide the authority for bond forfeitures to take place.
6 Instead, a bond forfeiture action is referred to as a "proceeding"
7 only within ITC regulations, which define these actions as
8 "related proceedings." See 19 C.F.R. § 210.3 (defining "related
9 proceedings" to include "preinstitution proceedings, sanction
10 proceedings (for the possible issuance of sanctions that would not
11 have a bearing on the adjudication of the merits of a complaint or
12 a motion under this part), bond forfeiture proceedings,
13 proceedings to enforce, modify, or revoke a remedial or consent
14 order, or advisory opinion proceedings").

16 Further, 28 U.S.C. § 1659(a) provides for a stay only until
17 the "determination of the Commission becomes final." Here, the
18 ITC's determination relevant to bond forfeiture as set forth in
19 the provisions of section 337 has become final. Section 337
20 provides that, before the ITC determination is final and
21 appealable, the President may review an ITC determination for a
22 period of sixty days after it is issued. 19 U.S.C. § 1337(j).
23 The section further states that, "until such determination becomes
24 final," a respondent is "entitled to" import and sell an excluded
25 product "under bond prescribed by the Secretary in an amount
26 determined by the Commission to be sufficient to protect the
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1 complainant from any injury. If the determination becomes final,
2 the bond may be forfeited to the complainant." 19 U.S.C.
3 § 1337(j)(3). The ITC is directed to "prescribe the terms and
4 conditions under which bonds may be forfeited under this
5 paragraph." Id. For the purposes of bond forfeiture, if the
6 President does approve of the ITC's decision, the determination
7 becomes "final" either at the end of the sixty day period or when
8 the President notifies the ITC of his approval. Id. at
9 § 1337(j)(4). Because these conditions have already occurred, and
10 the respondents' appeal of the ITC determination is final, the ITC
11 determination is final and a mandatory stay pursuant to 28 U.S.C.
12 § 1659 is inapplicable. The Court declines to impose a
13 discretionary stay.
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16 CONCLUSION

17 For the reasons set forth above, the Court DENIES Defendants'
18 motion to stay (Docket Nos. 939 in 05-4063 and 29 in 10-4954).

19 IT IS SO ORDERED.

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21 Dated: 1/24/2012

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CLAUDIA WILKEN
United States District Judge